

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 3040 - SB 3171

March 7, 2012

**SUMMARY OF BILL:** Clarifies that the authority to enforce a subdivision bond relative to street construction lies with the city attorney, where a municipal planning commission has been designated as a regional planning commission and the municipality's legislative body is responsible for accepting public streets. Authorizes a municipal planning commission, designated as a regional planning commission, to enforce its subdivision regulations relative to street construction and to inspect the street both during and after construction to ensure compliance with the subdivision regulations. Specifies that the acceptance of public streets platted outside the city limits but within the planning region rests with the city. If a municipality's legislative body accepts the street, the municipality will become responsible for its maintenance, repair, and other necessary street work.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – A shift in local government expenditures from counties to municipalities. The extent of any shift is unknown, but is reasonably estimated to exceed \$10,000. The net permissive impact to local governments is considered not significant.**

Assumptions:

- The provisions of this legislation are permissive to local governments.
- Pursuant to Tenn. Code Ann. § 13-3-403(b), the authority to enforce a subdivision bond for a regional planning commission lies with the county attorney.
- This bill clarifies that in instances where a municipal planning commission is designated as a regional planning commission, the city attorney is authorized to enforce the bond.
- It is assumed the local government entity authorized to enforce the subdivision bond is the entity responsible for the completion of the streets.
- It is unknown how frequently subdivision streets are left unfinished, how much work is required for completion, or the cost associated with the completion. However, it is assumed the subdivision bond issued will cover all costs for the completion of the streets.
- It is assumed that shifting the authorization for the enforcement of the bond from the county to the city attorney will not result in a significant fiscal impact to municipal governments; but only a shift in the local government entity responsible for the completion of the subdivision streets with the funds gained from the bond enforcement.

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- Authorizing a municipality to enforce its subdivision regulation on street construction, including inspecting streets before, during, and after construction, will allow for more uniform construction of streets within the planning region.
- Municipalities will become responsible for the maintenance, repair, and other necessary street work involved with the acceptance of the streets. It is assumed this responsibility is currently held by the county.
- The shift in responsibility for maintenance of streets will cause an increase in municipal government expenditures as well as an equal, corresponding decrease to county government expenditures.
- It is unknown how many streets the municipality will be responsible for maintaining, how many instances of repair and upkeep will be necessary, and the cost associated with those repairs. The precise recurring increase to municipal government expenditures cannot be determined; however, it is reasonably estimated to exceed \$10,000. This recurring increase to municipal government expenditures will result in an equal, corresponding recurring decrease in county government expenditures exceeding \$10,000.
- Any impact to local government entities as a result of this provision will be a shift in local government expenditures from a county to a municipality. The net permissive impact to local government expenditures is estimated to be not significant.

#### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise" followed by a stylized flourish.

Lucian D. Geise, Executive Director

/jrh